

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON AT TACOMA

ADEOFLORAIN ADEMOSU, a Washington
resident,

Plaintiff,

v.

PHOENIX LAW, PC, a California corporation
law firm, and credit repair organization,

Defendant.

NO: 3:23-cv-05404

PLAINTIFF'S 2nd MOTION FOR
DEFAULT JUDGMENT

NOTE FOR MOTION CALENDAR:
1-8-24

COMES NOW the Plaintiff, by and through his attorney, Peter Schneider of Northwest Debt Resolution, LLC, and moves, AGAIN, for an order of Default Judgment against Phoenix Law, PC, ("Defendant") and in support of states as follows.

I. FACTS

1. Plaintiff incorporates the statement of facts from his original motion for default judgment. (ECF# 8).

II. ARGUMENTS

Yes, Mr. Ademosu did assert and was in fact a victim of fraud by Phoenix Law, PC.

In this Court's' 10-31-23 order denying Plaintiff's motion for default judgment, the Court asserts that the Plaintiff never asserted fraud against Phoenix Law (ECF# 9). This is quite simply not the case. See paragraphs 24 through 39 of the Plaintiff's complaint (ECF# 1). What else, if



1 not fraud, are those paragraphs describing? They lay out the following allegations against
 2 Phoenix Law, PC:

- 3 1. That Phoenix Law, PC, had no right to take over his legal representation from Litigation
 4 Practice Group. A position that has been confirmed by the United States Bankruptcy
 5 Court of Central California. *See case# 8:23-ap-01046 in which the trustee obtained an
 6 emergency order to seize control and shut down Phoenix Law.*
- 7 2. That on 3-17-23 Phoenix Law fraudulently represented to him that it had authority to and
 8 would be withdrawing \$424.34 from his bank account. How it had access to his bank
 9 account information is unknown to this day, as Phoenix Law did not appear or defend this
 10 lawsuit, thus no discovery could be had.
- 11 3. That on the same day, Plaintiff communicated with Phoenix Law advising it that it did
 12 not represent him, did not have his permission to withdraw funds from his bank account.
- 13 4. That despite these communications from the Plaintiff, on 4-20-23 Phoenix Law still did
 14 withdraw \$424.34 from his bank account, without authorization.
- 15 5. That on 3-17-23 a member of Phoenix Law's "service team" lied to the Plaintiff (i.e.
 16 fraud) and told him that Phoenix Law had "bought" his legal representation contract from
 17 Litigation Practice Group.

18 It seems odd that the Bankruptcy Court seemed to see enough evidence of fraud to grant the
 19 emergency seizure orders in May of 2023 and shut down Phoenix Law, but this Court does not.
 20 True, the Plaintiff might have claims against Litigation Practice Group, but he didn't bring them
 21 in this lawsuit, nor did Phoenix Law appear and move to name Litigation Practice Group as a
 22 third-party Defendant. Let me reframe this.

23 Let's say person X stole Mr. Ademosu's car. Mr. Ademosu wants it back, but person X gave
 24 it to person Y. Person Y knows it was stolen and won't give the car back. Mr. Ademosu files a
 25 writ of restitution with a state court. The state court says, "sorry Mr. Ademosu, even though
 26 person Y hasn't appeared or defended the case, and is currently in possession of and is using
 27 your car, your claim is against person X, so you can receive no relief? Absurd!



Yet, that's the very same position this Court takes as it seemingly advocates for Phoenix Law, who if this Court takes a look at the bankruptcy case would see is truly the baddest of bad actors.

The Consumer Protection Act.

To prevail in a private CPA claim, the plaintiff must prove (1) an unfair or deceptive act or practice, (2) occurring in trade or commerce, (3) affecting the public interest, (4) injury to a person's business or property, and (5) causation. *Hangman Ridge Stables, Inc. v. Safeco Title Ins. Co.*, 105 Wn.2d 778, 784, 719 P.2d 531 (1986).

Were Phoenix Law's business practices unfair and deceptive? Check. Did they occur in trade or commerce? Check. Did they affect the public interest? Check. Did they in fact cause injury to Mr. Ademosu's business or property? Check, certainly if anything for the \$50.00 stop payment fee Well's Fargo charged Mr. Ademosu to put a stop to Phoenix Law's illegal account withdraw on 3-20-23. Causation? But for Phoenix Law's illegal actions, Mr. Ademosu would not have been harmed. So there you have it, at least \$50.00 in damages attributed directly to Phoenix Law.

Credit Services Organization Act

The Credit Services Organization Act (RCW 19.134 *et seq*) is a statute enacted by the Washington Legislature to protect Washington resident from the types of actions that Phoenix Law took. Let's break down how it applies to this case.

1. RCW 19.134.010(3) defines a "consumer" as "any natural person who is solicited to purchase or who purchases the services of a credit services organization."

So, the victim, Mr. Ademosu here, doesn't need to have in fact contracted with a credit services organization (Phoenix Law), just been solicited by them. Here the facts make it clear, at



1 the very least, Mr. Ademosu was “solicited” by Phoenix Law when it illegally withdrew \$424.34
 2 from his bank account and fraudulently told him it had “bought” his account from LPG.

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 4 2. RCW 19.134.010(6)(a) defines a credit services organization as, “any person who sells,
 5 provides, performs, or **represents** that the person can or will sell, provide, or perform, in
 6 return for the payment of money or other valuable consideration any of the following
 7 services.....(i) improving, saving, or preserving a consumer’s credit record.”

8 As pleaded in the complaint, Phoenix Law represented to the Plaintiff that it had “bought”
 9 his service contract from Litigation Practice Group, so at the very least, it **represented** that it
 10 would provide all the services outlined in said contract, which upon review of the Litigation
 11 Practice Group’s services contract with the Plaintiff (ECF# 8-2) ticks those boxes.

- 12 3. RCW 19.134.080 states, “any person injured by a violation of this chapter may bring any
 13 action for recovery of damages. In the case of an action by the consumer, damages shall
 14 be awarded in an amount not less than the amount paid by the consumer to the credit
 15 services organization. An award may also be entered for punitive damages.”

16 So, as stated above, Phoenix Law fraudulently stated that it had “bought” Mr. Ademosu’s
 17 contract with LPG. Like person Y in the hypothetical above, it sought to reap the advantages of
 18 its illegal actions (use and drive the car). Is Phoenix Law now shielded from the burdens of its
 19 actions, and should it not have to return the \$22,682.88 in payments to LPG that it sought to
 20 continue to receive? Yes, as pointed out in the complaint, such a “purchase” was null and void as
 21 there was never client consent, but does that nuance then forgive Phoenix Law’s bad actions?

22 Like person Y, can it accept a stolen car, drive it and crash it, and then get out of damages
 23 by saying person X stole it? Does it bother this Court at all that Phoenix Law totally ignored this
 24 lawsuit and the Plaintiff is essentially having to argue for it here? What’s going on here?



Credit Repair Organization Act

The credit repair organization Act (15 U.S.C. § 1679) mirrors much of RCW 19.134 *et seq.* It too allows a consumer to recover “any amount paid by the person to the credit repair organization.” 15 U.S.C. § 1679(a)(B).

Punitive Damages

Both the Credit Services Organization Act and Credit Repair Organization Act give a Court discretion to award punitive damages. *See RCW 19.134.080(1) and 15 U.S.C. § 1679(a)(2)(A).* Plaintiff feels an appropriate award of punitive damages is \$5,000.00 in this matter. A number that is not unreasonable, but significant enough to curb the bad behavior of Phoenix Law so it doesn’t prey on consumers again.

III. CONCLUSION

Candidly, Plaintiff’s counsel is disappointed in this Court’s posture in this matter thus far. Granted, there remain many unanswered questions (nexus between LPG and Phoenix Law, etc), but that’s through no fault of the Plaintiff. For reasons unknown, Phoenix Law decided not to appear or defend this lawsuit, depriving the Plaintiff of his ability to get those answers via discovery. All we know are the allegations outlined in the facts of the Plaintiff’s complaint, which firmly establish that Phoenix Law represented it had “purchased” the Plaintiff’s contract with LPG, and in doing so, “bought” the benefits (future payments) and burdens (damages for bad actions) alike. Maybe it did? Maybe it didn’t? Plaintiff alleges Phoenix Law did, and told him so, and this Court has zero facts to contravene that assertion from Phoenix Law, who again, failed to even appear in this action.

Plaintiff respectfully requests this Court grant him his full damages of \$22,682.88, that it treble them up to the \$25,000.00 limit pursuant to RCW 19.86.090, and that the Court exercise



1 its considerable discretion and award punitive damages of \$5,000.00, for total damages of
2 \$30,000.00. Plaintiff also requests his attorney's fees of \$3,870.00 and Costs of \$531.00.
3 Plaintiff is not requesting his attorney's fees for time spent on this second motion as it was made
4 at the request of the Court. Furthermore, as the old saying goes, god hates a pig.
5

6 To the extent that this Court is still unconvinced, Plaintiff requests he be awarded his \$50.00
7 in damages for the stop payment through Well's Fargo, that this Court treble the damages to
8 \$150.00 pursuant to RCW 19.86.090, and that the Court exercise its considerable discretion and
9 award punitive damages of \$5,000.00, for total damages of \$5,150.00.
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11 A proposed order, filing of proof of damages, and support for Plaintiff's costs and fees are
12 already filed with this Court (ECF# 8-1, 8-2, 8-3, and 8-4). Plaintiff requests this Court simply
13 interlineate the proposed judgment with the figures it comes to.
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15 DATED January 5, 2024.
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20 Peter Schneider, WSBA# 431131
21 Attorney for Plaintiff
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